DOCUMENT RESUME

ED 216 748 JC 820 253

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TITLE Management by Objectives in Public Two-Year Post Secondary Institutions in the North Central Accreditation Region.
INSTITUTION East Texas State Univ., Commerce. Center for Community Coll. Education.
PUB DATE [82]
NOTE 8p.

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS *Administrator Attitudes; *College Administration; *College Presidents; Community Colleges; *Management by Objectives; School Size; Two Year Colleges
IDENTIFIERS Administrator Effectiveness

ABSTRACT

In order to determine the level of adoption of Management by Objectives (MBO) by public community and junior colleges in the North Central Accreditation Region, chief executive officers (CEO's) of 224 two-year colleges were asked to provide information on institutional size; the use, effectiveness, and acceptance of MBO at various organizational levels; and the nature and extent of MBO training of selected personnel. Responses were received from 53% of the institutions surveyed, representing schools ranging in size from a single campus with a full-time equivalent (FTE) enrollment of 200 to a nine-campus institution with an FTE enrollment of 49,000. Study findings included the following: (1) 46% of the schools had an MBO program, an additional seven schools were considering MBO, and another nine had discontinued its use; (2) the likelihood of the use of MBO was greater in larger schools; (3) 69% of the CEO's using MBO rated it as effective, while 12% rated it as ineffective; (4) of the colleges using MBO, 100% used it at the top administrative level, 59% within divisions, and 39% by classified managers; (5) 84% of the CEO's indicated high acceptance of MBO by administrators, though only 33% indicated high acceptance by faculty; (6) over 90% of the CEO's felt that MBO contributed to better planning, improved communication, and increased control and accountability; and (7) the time involved in installing MBO was felt to be a major constraint by 66% of the respondents. (AYC)

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MANAGEMENT BY OBJECTIVES IN PUBLIC TWO-YEAR POST SECONDARY INSTITUTIONS IN THE NORTH CENTRAL ACCREDITATION REGION

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JC 820 253

MANAGEMENT BY OBJECTIVES IN PUBLIC TWO-YEAR POST SECONDARY INSTITUTIONS IN THE NORTH CENTRAL ACCREDITATION REGION

INTRODUCTION

Management by objectives (MBO) is viewed both as a philosophy and/or system of management. However viewed, MBO is considered an effective management tool in the attainment of organizational objectives. Although there are numerous instances of education at all levels utilizing concepts and techniques developed by business and industry, the field of education is not viewed by society in general as being well managed or effective. Since MBO is considered by many authorities as contributing to good management and effectiveness, an attempt was made to determine the level of adoption of MBO by public two-year post secondary institutions (CJC) in the North Central Accreditation Region (NCR). The CJC was chosen because it is the youngest and most rapidly expanding sector in public education today. The NCR was selected because it is the largest accreditation association in area, includes nineteen states, extends to the North and South borders of the continental United States, and includes highly industrialized states with large populations, and states which are sparsely populated.

PURPOSE OF THE STUDY

The purpose of the study was to determine the level of adoption of MBO by CJC's located in the NCR. In addition, data were gathered regarding institutional size and whether MBO adoption was being considered or had been discontinued. Information was also requested regarding the levels within the institution where MBO could be used, a general assessment of the effectiveness and acceptance of MBO at the various levels, the perceived advantages and limiting constraints of MBO, and the extent of MBO training of selected personnel and how the training was obtained.

METHODOLOGY

A thirty-seven item questionnaire was mailed to the Chief Executive Officer (CEO) of two hundred twenty-four CJC's in the NCR. The CEO was

provided a brief explanation of MBO and asked to complete and return the questionnaire in an addressed and stamped envelope. A follow-up procedure was not utilized.

ANALYSIS OF DATA

Responses were received from 53% of the institutions surveyed. Single campus institutions comprised 90% of those responding. Institutional size ranged from a single campus with a full-time student equivalent enrollment (FTSEE) of 200 to a nine campus institution with 49,000 FTSEE. The range of FTSEE for single campus institutions was 200 to 10,600.

An MBO program was underway in 46% of the institutions. Of the remaining institutions seven are considering installing MBO within three years. Nine institutions had discontinued MBO with the amount of time required by MBO as the principle reason for abandonment. One institution had discontinued MBO but reinstituted the program.

The likelihood of MBO is greater in larger rather than smaller CJC's based on FTSEE. Results indicated 33% of the CJC's with a FTSEE of 1,000 or less utilized MBO. However, 46% of CJC's with a FTSEE of 1,001 to 3,000 had installed MBO and 56% of CJC's with a FTSEE of 3,001 or greater had adopted MBO. Multi-campus institutions reported an MBO adoption rate of 33%.

Several potential levels of use of MBO within an institution exist. Included in this survey were the governing board, top administration, divisions or departments, individual faculty and classified managers and/or supervisors. Percentage of use of MBO by level is shown below:

Levels (n-54)	
Governing Board	28%
Top Administration	100%
Divisions/Departments	59%
Individual Faculty	22%
Classified Managers/Supervisors	39%

Respondents from MBO institutions were asked to give a general assessment of the overall effectiveness of the MBO program in their institution:

Ineffective					Effective	
1	2	3	4	5	6	7
2%	4%	6%	19%	40%	17%	12%

Considering a rating of 5, 6, or 7 as indicating a rating of effective, 69% of the respondents consider their MBO program as effective while only 12% of respondents consider the program ineffective using ratings of 1, 2, or 3 as indicating ineffectiveness.

Respondents were asked to rate the degree of acceptance of MBO at the various levels included in the survey. The degree of perceived acceptance is as follows:

	Low Acceptance				High Acceptance		
Governing Board	1	2	3	4	5	6	7
	2%	8%	17%	15%	17%	35%	6%
Administration	1	2	3	4	5	6	7
	0%	2%	4%	11%	28%	47%	9%
Divisions/Departments	1	2	3	4	5	6	7
	7%	0%	13%	20%	34%	25%	2%
Individual Faculty	1	2	3	4	5	6	7
	23%	17%	15%	13%	25%	6%	2%
Classified Managers/Supervisors	1	2	3	4	5	6	7
	17%	4%	11%	13%	28%	24%	2%

Considering a rating of 5, 6, or 7 as indicating high acceptance, 84% of respondents indicated high acceptance of MBO by administrators, 61% high acceptance by divisions/departments, 58% high acceptance by governing boards, 54% high acceptance by classified managers/supervisors, and 33% high acceptance by individual faculty.

The perceived advantages of MBO in relation to several factors which could contribute to accomplishing the institutional mission were seen as follows:

Better planning by MBO participants	Yes 97%	No 3%
Improved communication	Yes 92%	No 8%
Increased control and accountability	Yes 92%	No 8%
Better teaching and service effectiveness	Yes 58%	No 42%
Increased job satisfaction	Yes 71%	No 24%

MBO was perceived by a majority of respondents as making a contribution to accomplishment of the institutional mission. However, less than 45% of the respondents perceived all five factors as advantages of MBO.

Most management approaches are generally viewed as possessing certain limiting constraints relative to their adoption in an educational institution. Five limiting constraints relative to MBO were perceived as follows:

Lack of managerial training of Board members	Yes 52%	No 48%
Lack of managerial training of administrators	Yes 34%	No 66%
Perceived as threat to faculty	Yes 46%	No 54%
Time required to initiate program	Yes 66%	No 34%
MBO is not appropriate in an academic environment	Yes 17%	No 83%

The time required to initiate an MBO program was perceived as the most limiting of the five constraints. Less than 10% of respondents felt none of the five limiting constraints to MBO adoption were present at their institution. It should be noted that 106 institutions responded to these items not just those which had adopted MBO.

Responses to items regarding training in MBO were limited to Governing Boards, C.E.O., Administrators, and Division/Department Heads with the following results:

Governing Board	Yes 9%	No 91%
Chief Executive Officer	Yes 73%	No 27%
Administrative Staff	Yes 60%	No 40%
Division/Department Heads	Yes 41%	No 59%

MBO training was included in the degree training of 21% of the CEO's. Workshops and seminars were the main source of MBO training and were conducted most frequently by a state agency, national organizations, and consultants as a part of an in-service program.

CONCLUSIONS AND RECOMMENDATIONS

The level of adoption of MBO by the CJC's surveyed is approximately 50% greater (46% to 30%) than that found in a recent, unpublished survey of over 300 universities. However, it does not appear that a major increase in adoption of MBO will occur in CJC's in the near future. The likelihood of MBO adoption is more probable in a CJC with a FTSEE greater than 1,001 as opposed to those with less than 1,001 FTSEE and increases as the FTSEE figure increases. However, MBO adoption is no more probable in multi-campus institutions than it is in single campus institutions. The rate of adoption can be expected to offset the rate of discontinuance of MBO based on the available data.

Those institutions utilizing MBO reported 100% use by administrative staff as opposed to 28% use by governing boards of MBO users. In addition less than 10% of governing boards had training in MBO while 73% of the CEO's had training in MBO. An interesting question can be derived from these data as to who, board or CEO, initiated the adoption of MBO?

The low percentage of governing boards with MBO training is significant when 52% of respondents perceived lack of managerial training of board members

as a limiting constraint to MBO at their institution. However, in one CJC reporting MBO use, the board, CEO, and administrative staff had no training in MBO which seems highly improbable.

The degree of MBO acceptance by governing boards (58%) appears less than would be expected if governing boards are as concerned about "accountability," "efficiency," "a business approach," and "sound management" as their rhetoric during the budget adoption process so often reflects.

Several MBO users indicated modification of the term MBO. One six year user indicated a "concept" change to "Service to Students by Objectives." "Charter of Accountability" was applied to MBO in one instance while another used the term "Management Compensation Program." A non-user stated, "All good management established objectives and evaluates progress toward their achievement. We choose to do this in a more informal way than MBO."

Respondents indicated MBO was appropriate in an academic environment at a rate of 83%. One can speculate if instructional faculty would agree to the same extent since a low acceptance of MBO was perceived by 55% of respondents. MBO was being used by individual faculty at a rate of 22%. The appropriateness of MBO in an academic environment is perceived as much greater than its acceptance and use by faculty.

The advantages of MBO as perceived by respondents was particularly significant in the area of increased job satisfaction of participants since 71% of respondents said yes to the item.

An obvious recommendation would be the inclusion of MBO training in the preparation programs for aspirants to CJC administrative roles. Governing board members certainly were perceived as needing managerial training and MBO training in particular. State and national CJC governing board/associations should be concerned with this need. Universities could certainly provide such training for all CJC personnel through on-site workshop/seminars.

A greater effort should be made by Business Colleges and Colleges of Education to consider the appropriateness and applicability of business concepts and methods to the management of educational institutions.

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